

109TH CONGRESS
2D SESSION

H. R. 5564

To facilitate economic growth and development and to promote Tribal sovereignty, by encouraging a dramatic increase in the number of individuals with higher education degrees working within and for Indian Country.

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 2006

Ms. HERSETH introduced the following bill; which was referred to the
Committee on Education and the Workforce

A BILL

To facilitate economic growth and development and to promote Tribal sovereignty, by encouraging a dramatic increase in the number of individuals with higher education degrees working within and for Indian Country.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Indian Country Edu-
5 cational Empowerment Zone Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) A unique legal and political relationship ex-
2 ists between the United States and Indian tribes
3 that is reflected in article I, section 8, clause 3 of
4 the Constitution, various treaties, Federal statutes,
5 Supreme Court decisions, executive agreements, and
6 course of dealing.

7 (2) Native Americans continue to rank at the
8 bottom of nearly every indicator of social and eco-
9 nomic well-being in America:

10 (A) Unemployment rates average near 50
11 percent in Indian country and hover well over
12 90 percent on many reservations.

13 (B) While the national poverty rate is only
14 11 percent, over 26 percent of all Native Ameri-
15 cans live in poverty.

16 (C) In addition, Native Americans have
17 some of the lowest levels of educational attain-
18 ment in the United States.

19 (3) Numerous external efforts at economic de-
20 velopment in Indian Country have proven unsucces-
21 ful. The most successful efforts have been initiated
22 from within the Native communities themselves. Ef-
23 forts that empower the communities and give them
24 the tools to make their own decisions should be en-
25 couraged and pursued.

1 (4) Educational achievement continues to be a
 2 cyclical obstacle to economic development in Indian
 3 Country. Businesses are often unwilling to locate to
 4 Indian Country because of the lack of an educated
 5 workforce. Over a quarter of all Americans have a
 6 bachelors degree or higher. However, only 12 per-
 7 cent of all Native Americans nationwide have such
 8 a degree, and only 6 percent of those who actually
 9 live in Indian Country have a bachelors or higher.
 10 Once Natives are finally able to obtain higher edu-
 11 cation, many are not able to return to their commu-
 12 nities because there are no jobs. There needs to be
 13 an intervening factor to help break this damaging
 14 cycle.

15 **SEC. 3. LOAN FORGIVENESS FOR EMPLOYMENT IN INDIAN**
 16 **COUNTRY.**

17 Part B of title IV of the Higher Education Act of
 18 1965 is amended by inserting after section 428K (20
 19 U.S.C. 1078–11) the following:

20 **“SEC. 428L. LOAN FORGIVENESS FOR EMPLOYMENT IN IN-**
 21 **DIAN COUNTRY.**

22 “(a) PURPOSE.—It is the purpose of this section—
 23 “(1) to dramatically increase the number of in-
 24 dividuals with higher education degrees working
 25 within and for Indian country;

1 “(2) to facilitate economic growth and develop-
2 ment in Indian country, and promote Tribal sov-
3 ereignty;

4 “(3) to encourage members of Indian tribes
5 with higher education degrees to return to Indian
6 country;

7 “(4) to encourage the long-term retention of
8 educated individuals in Indian country; and

9 “(5) to encourage public service in Indian coun-
10 try, and to encourage investment in Indian country
11 through an increase in the education level of the
12 available workforce.

13 “(b) PROGRAM AUTHORIZED.—

14 “(1) IN GENERAL.—From the funds appro-
15 priated under subsection (g), the Secretary is au-
16 thorized to forgive, in accordance with this section,
17 the student loan debt of any borrower, who—

18 “(A) obtains or has obtained a bachelor’s
19 or graduate degree from an institution of high-
20 er education; and

21 “(B) obtains employment in Indian coun-
22 try.

23 “(2) METHOD OF LOAN FORGIVENESS.—To
24 provide the loan forgiveness authorized in paragraph

1 (1), the Secretary is authorized to carry out a pro-
2 gram—

3 “(A) through the holder of the loan, to as-
4 sume the obligation to repay a qualified loan
5 amount for a loan made under this part; and

6 “(B) to cancel a qualified loan amount for
7 a loan made under part D of this title.

8 “(3) AWARD BASIS; PRIORITY.—

9 “(A) AWARD BASIS.—Subject to subpara-
10 graph (B), loan forgiveness under this section
11 shall be on a first-come, first-served basis, and
12 subject to the availability of appropriations.

13 “(B) PRIORITIES.—The Secretary shall, by
14 regulation, establish a system for giving priority
15 in providing loan forgiveness under this section
16 to individuals based on the following factors:

17 “(i) The level of poverty in the locality
18 within Indian country where the individual
19 is employed.

20 “(ii) Whether the individual is an en-
21 rolled member of an Indian tribe.

22 “(iii) Whether such enrolled member
23 is performing employment in the Indian
24 country of the Indian tribe in which they
25 are enrolled.

1 “(iv) The ratio of the individual’s stu-
2 dent loan debt to the individual’s annual
3 income.

4 “(v) Whether the individual’s em-
5 ployer will provide an additional amount or
6 a matching percentage for student loan re-
7 payment for the individual.

8 “(4) OUTREACH.—The Secretary shall post a
9 notice on a Department Internet web site regarding
10 the availability of loan forgiveness under this sec-
11 tion, and shall notify institutions of higher education
12 (including Tribal Colleges and Universities) and the
13 Bureau of Indian Affairs regarding the availability
14 of loan forgiveness under this section.

15 “(c) QUALIFIED LOAN AMOUNTS.—

16 “(1) PERCENTAGES.—Subject to paragraph (2),
17 the Secretary shall assume or cancel the obligation
18 to repay under this section—

19 “(A) 15 percent of the amount of all loans
20 made, insured, or guaranteed after the date of
21 enactment of the Indian Country Educational
22 Empowerment Zone Act to a student under
23 part B or D, for each of the first and second
24 years of employment in Indian country;

1 “(B) 20 percent of such total amount, for
2 each of the third and fourth years of such em-
3 ployment; and

4 “(C) 30 percent of such total amount, for
5 the fifth year of such employment.

6 “(2) MAXIMUM.—The Secretary shall not repay
7 or cancel under this section more than—

8 “(A) \$20,000 in the aggregate of loans
9 made, insured, or guaranteed under parts B
10 and D, for any student with a bachelor’s de-
11 gree, but without a graduate degree; and

12 “(B) \$20,000 of such loans for each year
13 of employment, for any student with a graduate
14 degree.

15 “(3) TREATMENT OF CONSOLIDATION LOANS.—
16 A loan amount for a loan made under section 428C
17 may be a qualified loan amount for the purposes of
18 this subsection only to the extent that such loan
19 amount was used to repay a loan made, insured, or
20 guaranteed under part B or D for a borrower who
21 meets the requirements of subsection (b)(1), as de-
22 termined in accordance with regulations prescribed
23 by the Secretary.

24 “(d) ADDITIONAL REQUIREMENTS.—

1 “(1) NO REFUNDING OF PREVIOUS PAY-
2 MENTS.—Nothing in this section shall be construed
3 to authorize the refunding of any repayment of a
4 loan made under this part or part D.

5 “(2) INTEREST.—If a portion of a loan is re-
6 paid by the Secretary under this section for any
7 year, the proportionate amount of interest on such
8 loan which accrues for such year shall be repaid by
9 the Secretary.

10 “(3) DOUBLE BENEFITS PROHIBITED.—

11 “(A) INELIGIBILITY OF NATIONAL SERVICE
12 AWARD RECIPIENTS.—No student borrower
13 may, for the same service, receive a benefit
14 under both this section and subtitle D of title
15 I of the National and Community Service Act
16 of 1990 (42 U.S.C. 12601 et seq.).

17 “(B) DOUBLE FORGIVENESS.—No student
18 borrower may, for the same service, receive a
19 benefit under both this section and section
20 428J, 428K, or 460 of this Act or section 108
21 of the Indian Health Care Improvement Act
22 (25 U.S.C. 1616a).

23 “(4) REPAYMENT TO ELIGIBLE LENDERS.—The
24 Secretary shall pay to each eligible lender or holder
25 for each fiscal year an amount equal to the aggre-

1 gate amount of loans which are subject to repayment
2 pursuant to this section for such year.

3 “(e) APPLICATION FOR REPAYMENT.—

4 “(1) IN GENERAL.—Each eligible individual de-
5 siring loan forgiveness under this section shall sub-
6 mit a complete and accurate application to the Sec-
7 retary at such time, in such manner, and containing
8 such information as the Secretary may require. Such
9 application shall contain verification from the em-
10 ployer of the employment in Indian country.

11 “(2) CONDITIONS.—An eligible individual may
12 apply for loan forgiveness under this section after
13 completing each year of employment in Indian coun-
14 try. The borrower shall receive forbearance while en-
15 gaged in such employment unless the borrower is in
16 deferment while so engaged.

17 “(f) REGULATIONS.—The Secretary is authorized to
18 issue such regulations as may be necessary to carry out
19 the provisions of this section.

20 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated to carry out this section
22 \$20,000,000 for fiscal year 2007, and such sums as may
23 be necessary for each of the 4 succeeding fiscal years.

24 “(h) DEFINITION OF INDIAN TRIBE.—In this section,
25 the term ‘Indian tribe’ means any Indian tribe, band, na-

1 tion, or other organized group or community, including
2 any Alaska Native village, which is recognized as eligible
3 for the special programs and services provided by the
4 United States to Indians because of their status as Indi-
5 ans.”.

